



0000032804

Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

AUG 05 1999

DOCKETED BY

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AUG 05 1999

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IN THE MATTER OF THE APPLICATION OF
DINOSAUR CAVERNS, INC., DBA GRAND
CANYON CAVERNS FOR THE
IMPLEMENTATION OF LIMITATIONS ON
SERVICE AND SUPPORTING TARIFF.

DOCKET NO. W-02491A-99-0238

DECISION NO. 61862**ORDER**

Open Meeting
August 3 and 4, 1999
Phoenix, Arizona

BY THE COMMISSION:

On May 5, 1999, Dinosaur Caverns, Inc., dba Grand Canyon Caverns ("Applicant" or "Company") filed with the Arizona Corporation Commission ("Commission") an application in which it requested Commission approval to implement a tariff that will limit its ten existing customers to historic consumption levels and limit service to only those customers. Applicant further requested an expedited hearing.

On May 12, 1999, the Commission's Utilities Division ("Staff") filed its Staff Memorandum.

On May 14, 1999, by Procedural Order, a hearing was scheduled to commence on June 9, 1999.

On May 25, 1999, the Company and Staff requested that the matter be rescheduled due to a scheduling conflict. Applicant also agreed to provide notice of the rescheduling.

On June 2, 1999, certain concerned customers ("Customers") requested intervention and a twenty-one day postponement of the hearing. Applicant did not object to intervention, but requested that the proceeding go forward as soon as possible.

On June 4, 1999, intervention was granted and the proceeding postponed briefly until June 15, 1999.

On June 15, 1999, a prehearing conference was held and the parties agreed to a continuance pending a possible settlement which could be agreed upon by all customers and Applicant.

On July 20, 1999, Applicant filed a Stipulated Settlement Agreement ("Agreement") that includes its proposed tariff which has been executed by the Company and all ten customers. Subject to the Commission's approval, the Agreement states the terms and conditions under which Applicant will improve, at its own expense, certain of its facilities necessary in order to continue to provide public water service.

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. Pursuant to authority granted by the Commission in Decision No. 56152 (September 29, 1988), Applicant provides public water utility service in various parts of Coconino and Yavapai Counties approximately 25 miles west of Seligman, Arizona.¹

2. On May 5, 1999, Applicant filed an application requesting the Commission's approval of the Agreement and the proposed tariff which is attached hereto as Exhibit A and incorporated by reference.

3. The Agreement will limit Applicant's service to the Company's ten existing customers and limit the customers to historic consumption levels through the installation of on-site storage facilities, pressure pumps and line restricting orifices.

4. However, there are provisions to increase service in the future, if possible.

5. Applicant is requesting the Commission's approval for the proposed tariff because its six inch water transmission main² has deteriorated to the point that numerous and substantial leaks are impossible to repair both physically and economically. As the main continues to deteriorate, the Company will be unable to provide public water service.

6. Applicant's engineers estimate that it would cost approximately \$720,000 to replace its transmission line. Neither Applicant nor its owners have the funds necessary to pay for the main's

¹ Applicant is primarily a tourist oriented business which operates and provides guided tours of the Grand Canyon Caverns ("Caverns") and in connection therewith operates the water utility. Applicant's other customers are located along its transmission main.

² This is Applicant's only main and it runs a distance of approximately 8 ½ miles from its well site to terminus at the Company's 200,000 gallon storage tank near the Caverns.

1 replacement.

2 7. The Company believes it would be unreasonable to impose the burden of the
3 replacement of this transmission line upon its limited customer base.

4 8. Applicant has proposed a solution which it believes will alleviate the problem for the
5 Company and its customers.

6 9. Upon the Commission's approval of the Agreement set forth in Exhibit A, Applicant
7 will pay for the installation, at its own expense, of a three inch transmission line inside of its
8 deteriorating six inch line at an approximate cost of \$200,000 together with installing the special
9 equipment as described in the tariff to limit water usage.

10 10. On July 11, 1999, when Reverend Warren T. Smith signed the agreement as Customer
11 Number 1 for the Calvary Hogan Mission, Inc. ("Mission"), he conditioned the approval stating that
12 he believes that the present allotment for the Mission as defined under the Agreement is insufficient,
13 but wished to be the first customer of record requesting an increase in its water allotment when, and
14 if, the reconfigured water transmission main could supply the Mission with more water. Reverend
15 Smith took this position since future customer requests for an increase in water service will be treated
16 on a first come, first serve basis and subject to the terms of the Agreement.

17 11. Based on the Agreement of the customers and the fact that Applicant is bearing the
18 expense for the improvements, Staff recommends approval of the Agreement described in Exhibit A.

19 12. Under the circumstances herein, we believe that the Agreement offers a viable and
20 equitable solution to a very difficult problem. Therefore, we shall approve the Agreement which is
21 marked Exhibit A hereto.

22 **CONCLUSIONS OF LAW**

23 1. Applicant is a public service corporation within the meaning of Article XV of the
24 Arizona Constitution.

25 2. The Commission has jurisdiction over Applicant and of the subject matter of
26 application.

27 3. The application herein subject to the terms of the Agreement marked Exhibit A should
28 be approved.

ORDER

IT IS THEREFORE ORDERED that the application of Dinosaur Caverns, Inc., dba Canyon Caverns for the implementation of a limitation on service and supporting tariff be, and is hereby, approved subject to the terms and conditions described in the Stipulated Settlement Agreement attached hereto as Exhibit A.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 5th day of August, 1999.

BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT
MES:bbs

1 SERVICE LIST FOR: DINOSAUR CAVERNS, INC., DBA GRAND
2 CANYON CAVERNS
3 DOCKET NO. W-02491A-99-0238
4 Richard L. Sallquist
5 SALLQUIST & DRUMMOND, P.C.
6 2525 E. Arizona Biltmore Circle, Suite 117
7 Phoenix, Arizona 85016
8 Attorneys for Dinosaur Caverns, Inc., dba
9 Grand Canyon Caverns
10 Warren T. Smith
11 Customer Group
12 Box 445
13 Seligman, Arizona 86337
14 Adrian N. Hansen
15 Moyes Storey
16 3003 North Central Avenue, Suite 1250
17 Phoenix, Arizona 85012
18 Paul Bullis, Chief Counsel
19 Legal Division
20 ARIZONA CORPORATION COMMISSION
21 1200 West Washington Street
22 Phoenix, Arizona 85007
23 Director, Utilities Division
24 ARIZONA CORPORATION COMMISSION
25 1200 West Washington Street
26 Phoenix, Arizona 85007
27
28

EXHIBIT A

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-02491A-99-0238
DINOSAUR CAVERNS, INC., DBA GRAND)
CANYON CAVERNS FOR THE) **STIPULATED SETTLEMENT**
IMPLEMENTATION OF LIMITATIONS ON)
SERVICE AND SUPPORTING TARIFF)

This Stipulated Settlement ("Settlement") is entered into as of June 15, 1999 by and among Dinosaur Caverns, Inc. dba Grand Canyon Caverns (the "Caverns" or "Company") and the customers identified on Exhibit A attached hereto and incorporated herein for all purposes (collectively, the "Customers"), for the purpose of establishing the terms and conditions under which the Company will improve certain of its facilities necessary to serve the Customers, and subject to the Commission approving a Tariff, substantially in the form attached hereto as Exhibit B and incorporated herein for all purposes, pertaining to the Company's provision of service.

INTRODUCTION

Grand Canyon presently provides water to its customers by way of a six inch steel transmission line running approximately eight and one-half miles from the well site to a 200,000 gallon storage tank near Grand Canyon Caverns Motel. The Customers receive water from service taps along that line. That transmission line has deteriorated over the years to a point that it has numerous and substantial leaks which are either uneconomic or impossible to repair. The Company's engineers estimate that to replace that six inch line would cost approximately \$720,000.00. It is impossible for either the Company, or the owners of the Company, to fund

1 that cost. Likewise, it is unreasonable to expect the Customers to pay rates to support the cost of
2 that plant.

3 Alternatively, the Company will install a three inch line inside the old six inch line for
4 approximately \$200,000.00, including the Special Equipment described in Paragraph F of the
5 Tariff attached hereto. The owners of the Company are willing to fund that cost. However, the
6 capacity of the three inch line will not permit unlimited water use by the Customers. In its April
7 19, 1999 Application, the Company proposed a Tariff limiting service to Customer's historic
8 consumption levels and authorizing a Curtailment Program in the event the system could not
9 meet those demands. The Tariff was subsequently revised based upon recommendations of the
10 Commission Staff.

11 After extended negotiations among the parties and Commission Staff, the Parties agree to
12 enter this Stipulated Settlement for the Hearing Officer's submission to the Commission. The
13 Parties agree as follows:

14 A. Upon execution of this Stipulation by all Parties, the Company will commence
15 preparation of engineering drawings for installation of the replacement three inch water
16 line, including design of the required Special Equipment.

17 B. This Stipulation shall be submitted to the Commission for consideration at its July 13/14,
18 1999 Open Meeting.

19 C. Upon approval of this Stipulation by the Commission, and recordation of the easements
20 as contemplated in Paragraph D, and obtaining the approval required by Paragraph E, the
21 Company will commence construction of the subject facilities as soon as possible
22 thereafter.

23 D. All Customers shall provide, or cause to be provided, an easement in favor of the
1 Company granting a perpetual utility easement over their respective properties for the

1 subject transmission line, the service line from the transmission line to the meter box
2 location, the site for the Special Equipment as hereinafter described, and any future
3 booster pump or storage facilities that may be required for the Company to provide
4 service. Additionally, that easement shall grant ingress and egress to the Company for
5 access to its facilities located within the easements. The easements shall be in form
6 acceptable to counsel for the Company. Said Special Equipment shall be installed at
7 locations mutually acceptable to the Company and the Customer. Said easement shall
8 supersede any and all existing easements and terms and conditions regarding water
9 service, which service will be provided subject only to the rules, regulations, terms,
10 conditions, and tariffs of the Arizona Corporation Commission applicable to the
11 Company.

12 E. The Company will submit the engineering drawings for the improvements to the Arizona
13 Department of Environmental Quality (ADEQ) and obtain either a Certificate of
14 Approval to Construct or a letter from ADEQ indicating that the proposed improvements
15 are not subject to the ADEQ design review process.

16 F. The Customers agree to receive service subject to the terms and conditions of the Tariff
17 attached hereto as Exhibit B and thereby included in this Stipulation.

18 G. The Parties acknowledge that the proposed improvements should provide adequate water
19 service to all Customers, however, the Parties agree that in the event additional booster
20 stations or storage facilities are needed along the transmission line in the future, the
21 Parties and the Commission Staff shall review the capacity of the system and the
22 respective demands of each Customer and determine the required modifications to the
23 system and the appropriate method to fund the cost of those facilities, which may include
24

1 Customer participation in a refundable advance of funds, based upon consumption. Said
2 facilities shall be located only with the approval of the property owners.

3 H. The Company shall cause the Special Equipment to be installed prior to removing the old
4 line from service.

5 I. During Construction of the new transmission line, the Company shall cause the newly
6 installed on-site tank(s) which are part of the Special Equipment, to be filled on a regular
7 basis so as to assure continuity of water service during the construction period. This will
8 be accomplished by the Company hauling water to the various on-site tanks. That water
9 will be billed under the Company's Tariffed rates.

10 J. The Customers agree to make every reasonable attempt to limit their respective
11 consumption levels to the Maximum Gallonage Consumption Targets set forth in
12 Attachment C hereto and further agree to comply with all other terms and conditions of
the Tariff.

14 K. The Parties acknowledge that the Maximum Consumption Targets may be increased in
15 the future based upon the operating characteristics of the water system. These Maximum
16 Target Consumption levels will be increased only after consultation with the
17 Commission's Engineering Staff to assure establishment of equitable levels that will
18 assure continuing operation of the water system.

19 L. In accordance with Paragraph IIA of the Tariff, no new customers shall be added to the
20 system. However, based upon the 1962 grant of easement from the owner of Parcel 4 to
21 the Company, the Parties agree that the Customer may add two (2) additional 5/8" x 3/4"
22 water meters on that Parcel at Customer's expense, each with Maximum Consumption
23 Targets of 20,000 gallons per month or as otherwise specified by the Commission, to

satisfy the conditions of that easement. That property owner has agreed to enter into the easement required by Paragraph D, which easement will contain provisions to that effect.

M. The cost for the design, construction, operation and maintenance of the transmission line replacement and the Special Equipment required as described in the Tariff shall be borne by the Company. The Special Equipment includes a 1,000 gallon water storage tank. Certain Customers may not need the storage tank and booster pump for their service. If a Customer agrees, those facilities will not be installed at this time.

N. In the event any Customer desires to increase the size of their storage tank, that cost shall be borne by the Customer. The Customer must request the up-sized tank within ten days of the Commission's approval of this Stipulation. The Customer may subsequently add storage at any time after the ten day period, however that storage must be located on the Customer's side of the Special Equipment and will be funded, constructed, owned, operated and maintained by the Customer. It is agreed that the Customer will pay to the Company the following cost for their up-sized storage tank:

GALLONS	COST
1,500	\$300.00
2,500	\$700.00
4,000	\$1,000.00
5,000	\$2,000.00

N. The cost of up-sized facilities shall be advanced by the Customer pursuant to a line extension agreement approved by the Commission Staff and containing the standard terms and conditions with a 10% refund of that Customer's revenues for a ten year period.

Based upon the above stated conditions, the parties hereby agree to the implementation and approval of the Tariff.

This Stipulation may be entered into in counterparts with facsimile signatures.

DINOSAUR CAVERNS, INC. dba Grand
Canyon Caverns

Customer No. 1

By: _____

WARREN SMITH

Its: _____

JOYCE SMITH

Customer No. 2

Customer No. 3

CHARLES WELLS

MIKE LANDIS

K.T. WELLS

KAREN LANDIS

Customer No. 4

Customer No. 5

CAROL SHEANSY

MIKE LANDIS

KAREN LANDIS

Customer No. 6

Customer No. 7

PETE MESTAS

LARRY LEIST

JOANN LEIST

Customer No. 8

Customer No. 9

CHEMICAL LIME CO.

GRAND CANYON CAVERNS INN

By: _____

By: _____

Its: _____

Its: _____

1 Customer No. 10

2 DIAMOND A RANCH CATTLE CO.

3 By: _____

4
5 Its: _____

6 CHOLLA LIVESTOCK, LLC

7 By: _____

8 Its: _____

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10

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12

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14

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16

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18

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22

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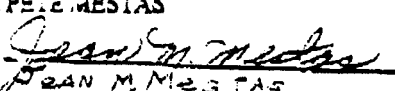
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26002.00000.22

1	DINOSAUR CAVERNS, INC. dba Grand	Customer No. 1
2	Canyon Caverns	
3	By: <u>W. Ringler</u>	
4	For: <u>President</u>	WARREN SMITH
5		JOYCE SMITH
6	Customer No. 2	Customer No. 3
7	CHARLES WELLS	MIKE LANDIS
8		
9	K.T. WELLS	KAREN LANDIS
10	Customer No. 4	Customer No. 5
11	CAROL SHEANSY	MIKE LANDIS
12		KAREN LANDIS
13	Customer No. 5	Customer No. 6
14		
15	PETE MESTAS	LARRY LEIST
16		JOANN LEIST
17	Customer No. 8	Customer No. 9
18	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
19		
20	By: _____	By: _____
21		
22		
23		
24		

THIS NOTICE

DECISION NO. 61867

1		
2	DINOSAUR CAVERNS, INC. dba Grand	Customer No. 1
3	Can. or. Caverns	
4	By: _____	WARREN SMITH
5	For: _____	JOYCE SMITH
6	Customer No. 2	Customer No. 3
7		
8	CHARLES WELLS	MIKE LANDIS
9		
10	KAT WELLS	KAREN LANDIS
11	Customer No. 4	Customer No. 5
12	CAROL SHEANSKY	MIKE LANDIS
13		
14	Customer No. 6	KAREN LANDIS
15		Customer No. 7
16	PETE MESTAS	LARRY LEIST
17	 JOANN M. MESTAS	JOANN LEIST
18		
19	Customer No. 8	Customer No. 9
20	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
21	By: _____	By: _____
22	For: _____	For: _____
23		
24		

W-02491A-99-0238

DECISION NO.

61867

1		
2	DINOSAUR CAVERNS, INC. dba Grand	Customer No. 1
3	Cany. or Caverns	
4	By: _____	WARREN SMITH
5	For: _____	
6		JOYCE SMITH
7	Customer No. 2	Customer No. 3
8	CHARLES WELLS	MIKE LANDIS
9		
10	KEL WELLS	KAREN LANDIS
11	Customer No. 4	Customer No. 5
12	<i>Carol Sheansy</i>	MIKE LANDIS
13	<i>Richard Hollman</i>	KAREN LANDIS
14	RICHARD HOLLMAN	
15	Customer No. 6	Customer No. 7
16	PETE WESTAS	HARRY LEIST
17		JOANN LEIST
18	Customer No. 8	Customer No. 9
19	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
20		
21	By: _____	By: _____
22	For: _____	For: _____
23		
24		

1
2 DINOSAUR CAVERNS, INC. dba Grand
3 Canyon Caverns

Customer No. 1

By: _____

WARREN SMITH

Its: _____

JOYCE SMITH

Customer No. 2

Customer No. 3

CHARLES WELLS

MIKE LANDIS

KIM WELLS

KAREN LANDIS

Customer No. 4

Customer No. 5

CAROL STEANEY

MIKE LANDIS

KAREN LANDIS

Customer No. 6

Customer No. 7

PETE MESTAS

LARRY LEIST

JOANN LEIST

Customer No. 8

Customer No. 9

CHEMICAL LIME CO.

GRAND CANYON CAVERNS INN

By: ma. [signature]

By: _____

Its: maint. Superintendent

Its: _____

1		
2	DINOSAUR CAVERNS, INC. dba Grand	Customer No. 1
3	Canyon Caverns	
4	By: _____	WARREN SMITH
5	Its: _____	JOYCE SMITH
6	Customer No. 2	Customer No. 3
7	<i>Charles Wells</i>	
8	CHARLES WELLS	MIKE LANDIS
9	<i>K.T. Wells</i>	
10	K.T. WELLS	KAREN LANDIS
11	Customer No. 4	Customer No. 5
12	CAROL SHEANSY	MIKE LANDIS
13		KAREN LANDIS
14	Customer No. 6	Customer No. 7
15		
16	PETE MESTAS	LARRY LEIST
17		JOANN LEIST
18	Customer No. 8	Customer No. 9
19	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
20		
21	By: _____	By: _____
22	Its: _____	Its: _____
23		

DINOSAUR CAVERNS, INC. dba Grand
Canyon Caverns

Customer No. 1

By: _____

Warren Smith Director
WARREN SMITH conditional see below

Its: _____

Joyce Smith
JOYCE SMITH conditional see below

Customer No. 2

Customer No. 3

CHARLES WELLS

MIKE LANDIS

K.T. WELLS

KAREN LANDIS

Customer No. 4

Customer No. 5

CAROL SHEANSY

MIKE LANDIS

KAREN LANDIS

Customer No. 6

Customer No. 7

PETE MESTAS

LARRY LEIST

JOANN LEIST

Customer No. 8

Customer No. 9

CHEMICAL LIME CO.

GRAND CANYON CAVERNS INN

By: _____

By: _____

Its: _____

Its: _____

*Signatures of Warren + Joyce Smith are only valid if the
attached application is accepted and made a matter of record
in behalf of Calaveras Board of Directors Inc the registered
owners of the property and customers of Dinosaur Caverns, Inc.*

DECISION NO. 61867

Calvary Hogan Mission Inc.

P.O. Box 445
Seligman Ar
86737

Phone (520) 422-3409
Fax (520) 422-4097
E. Mail chmpical@juno.com

1 of 4 INCLUDING THIS FAX TOP SHEET

I called Mr. Richard Sallquist. On 7/9/99 and was told the Corp. Commission would not allow them to put in the wording I suggested to protect present customers, but that I could submit an application for an increase in the water allotment for the mission when and if the new system could handle it. He also said applications would be on a first come bases.

I asked him if I could submit an application with my indorsement to make it a matter of record that the new system with the present allotment is insufficient to meet the needs of the historical use of the mission property purchased in 1979, and supplied with water from the Caverns Inc. as of that date.

He said I could. I then presented the matter to my board of directors and they agreed I could indorse the new system if they accept the application from Calvary Hogan Mission Inc. but only conditional to their accepting the missions application and making it a matter of record as of that date.

Respectfully,



Rev. Warren T. Smith Founder and Director

DECISION NO. 61867

1097 - SALLQUIST & DRUMMOND
1097 - 122-1097

page 2
P.02

Dinosaur Caverns Inc. / Corp. Commission

Application for an increase of the water allotment for Calvary Hogan Mission Inc. 7/11/99

Our present allotment is insufficient to meet the needs of the historical use of the mission property purchased in 1979, and supplied with water from the Caverns Inc. as of that date. See attached layout.

Rev. Warren T. Smith

Rev. Warren T. Smith Founder and Director

DECISION NO.

61867

1/24

1/24

Calvary St. Mission 1980-1999

Historic Use of

Phone 503-422-3409

Fax 503-422-4047

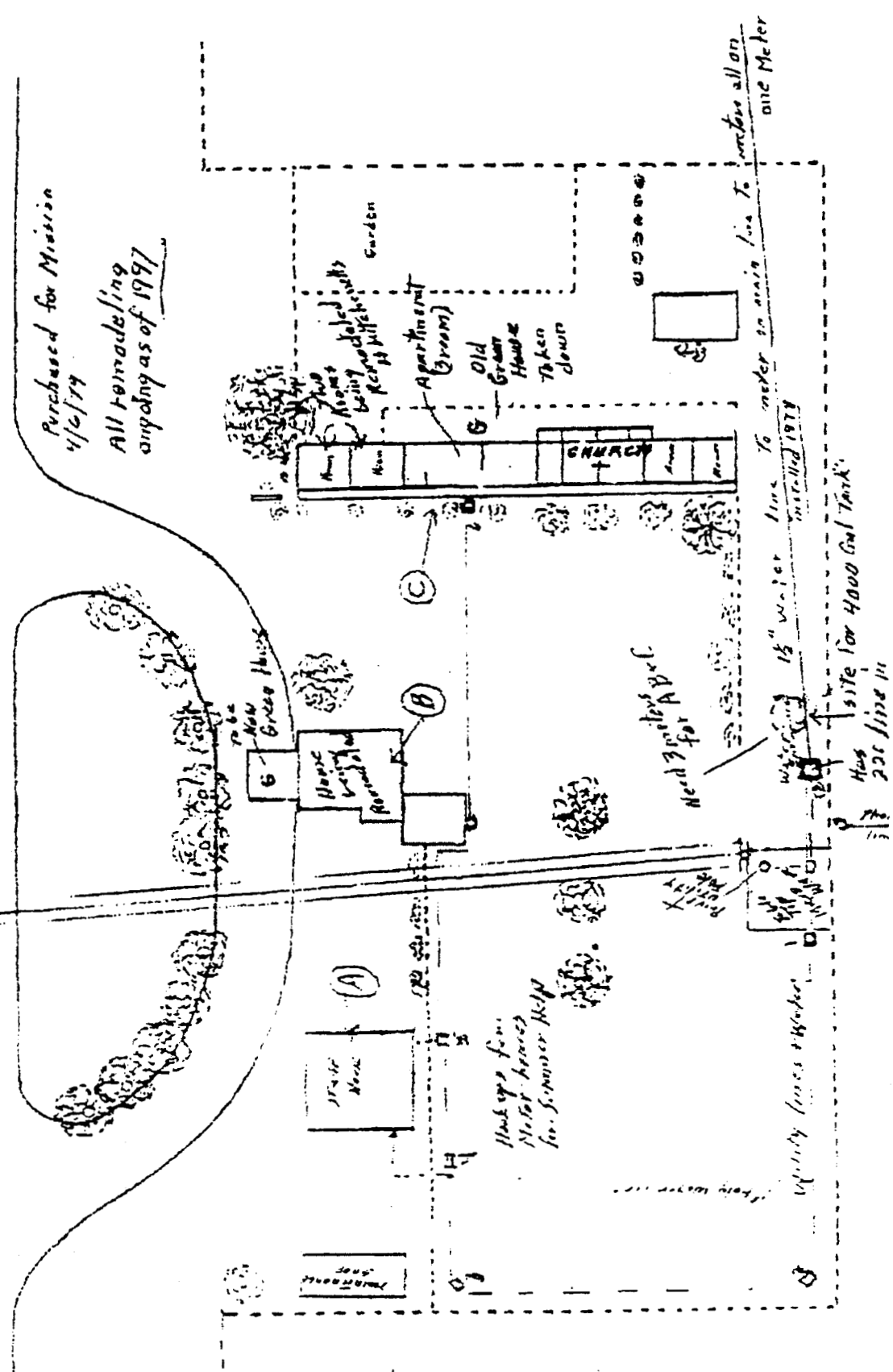
Rev. Warren T. Smith as an applicant

12 mi. and 3 mi.

South 200

East 75

AL 56



DECISION NO. 61867

1		
2	DINOSAUR CAVERNS, INC. dba Grand	Customer No. 1
3	Can. of. Caverns	
4	By: _____	WARREN SMITH
5	For: _____	
6		JOYCE SMITH
7	Customer No. 2	Customer No. 3
8	CHARLES WELLS	<i>Mike Landis</i> MIKE LANDIS
9		<i>Karen Landis</i> KAREN LANDIS
10	Customer No. 4	Customer No. 5
11		<i>Mike Landis</i> MIKE LANDIS
12	CAROL GUERNEY	<i>Karen Landis</i> KAREN LANDIS
13		
14	Customer No. 6	Customer No. 7
15		
16	PETE MESTAS	LARRY LEIST
17		
18		JOANN LEIST
19	Customer No. 8	Customer No. 9
20	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
21	By: _____	By: _____
22	For: _____	For: _____
23		
24		

10001 1000011

DECISION NO. 61867

1		
2	DINOSAUR CAVEENS, INC. dba Grand Canyon Caverns	Customer No. 1
3		
4	By: _____	WARREN SMITH
5	In: _____	
6		JOYCE SMITH
7	Customer No. 2	Customer No. 3
8	CHARLES WELLS	MIKE LANDIS
9		
10	K.T. WELLS	KAREN LANDIS
11	Customer No. 4	Customer No. 5
12	CAROL STEAMSV	MIKE LANDIS
13		
14		KAREN LANDIS
15	Customer No. 6	Customer No. 7
16	JOE MESTAS	<i>Joey Leist</i> JOEY LEIST
17		<i>Joann Leist</i> JOANN LEIST
18		
19	Customer No. 8	Customer No. 9
20	CHEMICAL LIME CO.	GRAND CANYON CAVERNS INN
21	By: _____	By: _____
22	In: _____	In: _____
23		
24		

1
2 DINOSAUR CAVERNS, INC. dba Grand
3 Canyon Caverns

Customer No. 1

4 By: _____

WARREN SMITH

5 Is: _____

JOYCE SMITH

6 Customer No. 2

Customer No. 3

7 CHARLES WELLS

MIKE LANDIS

8 KIM WELLS

KAREN LANDIS

9 Customer No. 4

Customer No. 5

10 CAROL SHEANSKY

MIKE LANDIS

11 Customer No. 6

Customer No. 7

12 PETE MESTAS

LARRY LEIST

13

JOANN LEIST

14 Customer No. 8

Customer No. 9

15 CHEMICAL LIME CO.

GRAND CANYON CAVERNS INN

16 By: _____

By: *[Signature]*

17 Is: _____

Is: *General Manager*

1 Customer No. 10

2 DIAMOND A RANCH CATTLE CO.

3 By: James C. Wilk

4 Its: General Manager

5 CHOLLA LIVESTOCK, LLC

6 By: James C. Wilk

7 Its: General Manager

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24

1999/2/2000/22

-7-

DECISION NO. 61867

EXHIBIT A

Customer No. 1

Warren and Joyce Smith
P.O. Box 445
Seligman, Arizona 86337-0445

Customer No. 3

Mike and Karen Landis
Box 502
Peach Springs, Arizona 86434-0502

Customer No. 5

Mike and Karen Landis
Box 502
Peach Springs, Arizona 86434-0502

Customer No. 7

Larry and JoAnn Leist
P.O. Box 515
Peach Springs, AZ 86434-0515

Customer No. 9

Grand Canyon Caverns Inn
P.O. Box 180
Peach Springs, AZ 86434-0180

Customer No. 2

Charles and K.T. Wells
P.O. Box 491
Seligman, AZ 86337-0491

Customer No. 4

Carol Sheansy
P.O. Box 41
Valentine, AZ 86437

Customer No. 6

Pete Mestas
P.O. Box 387
Seligman, AZ 86337-0387

Customer No. 8

Chemical Lime Co.
Mark Phillips
P.O. Box 370
Peach Springs, AZ 86434-0307

Customer No. 10

Diamond A Ranch Cattle Co.
P.O. Box 455
Seligman, AZ 86337-0455

Cholla Livestock, LLC
1401 N. 24th Street, Suite 4
Phoenix, AZ 85008

DOCKET U-2491

Canceling Sheet No.

PART TWO

STATEMENT OF TERMS
AND CONDITIONS

I. LIMITATIONS ON SERVICE

1. Due to the capacity limitations on the Company's transmissions and booster facilities, water service within the Company's certificated area is limited as follows:

A. Additional Customers.

No additional meters shall be added to the Company's existing water system, except as referenced in Paragraph L of the Stipulated Settlement that is part of Decision No. _____.

B. Location.

All water provided through Company meters shall be used exclusively within the certificated area of the Company.

C. Number of Meters.

The Company shall not replace existing meter(s) with larger meters than in service as of January 1, 1999, without the Customer's compliance with paragraph H below.

D. Maximum Consumption Targets

Customers average daily consumption targets shall be set not to exceed the larger of (1) 20,000 gallons per month, or (2) one hundred percent (100%) of the average of the consumption for each day during each distinct billing period as recorded in the Company's records for the calendar years 1996, 1997, and 1998, whichever year had the highest average, i.e., the Company shall use the highest average of the three years for each distinct billing period.

Issued _____, 199__

Effective _____, 199__

ISSUED BY:

Don Ringsby
Dinosaur Caverns, Inc.
P.O. Box 8287
Denver, CO 80201

26002-00000.4

DECISION NO. 61867

DOCKET U-2491

Canceling Sheet No.

PART TWO

**STATEMENT OF TERMS
AND CONDITIONS**

E. Maximum Gallonage Consumption Target.

Within thirty (30) days of the effective date of this tariff, the Company shall provide notice to each Customer of the average daily consumption that will be the Maximum Gallonage Consumption Target to that service location.

F. Special Equipment Required.

Customer shall receive service only through special equipment installed by the Company and designed to optimize service to the Customer via the limited transmission capabilities of the system. Said equipment shall be owned and maintained by the Company. The equipment shall be located at a mutually agreed upon site on the customer's property. Customer shall provide the electrical connection for the pressure pump and shall be responsible for payment of the power and energy costs for that pump. Each customer shall be served through the following facilities, configured in the following sequence.

- (i) Company owned service line.
- (ii) An orifice restricting the gpm water flow.
- (iii) The size meter the customer had as of January 1, 1999.
- (iv) Back flow/air gap device.
- (v) Self filling storage tank.
- (vi) Maximum 20 gpm pump.
- (vii) Customer owned service line to residence/building.

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Denver, CO 80201

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DECISION NO. 61867

DINOSAUR CAVERNS, INC.
dba Grand Canyon Caverns

Sheet No.

3

DOCKET U-2491

Canceling Sheet No.

PART TWO**STATEMENT OF TERMS
AND CONDITIONS****G. Violation.**

In the event a Customer exceeds the Maximum Gallonage Consumption Target levels set forth in Paragraph D above, the Company shall provide notice of that event to the Customer.

H. Curtailment.

If any of the following events occur, the Company shall immediately notify the Consumer Services Section of the Arizona Corporation Commission and the Customers, and following consultation with the Commission Staff, the Company shall be immediately authorized to implement an interim curtailment program as deemed appropriate by the Commission Staff. Those events shall be (1) the inability of the water system to provide water service sufficient to meet the Maximum Gallonage Consumption Targets as herein defined, (2) any Customer routinely, or dramatically, exceeds that Customer's Maximum Gallonage Consumption Target, or (3) the Company anticipates an operational problem that may impact on its ability to deliver enough water to meet the Maximum Gallonage Consumption Targets. Any Curtailment Program that would exceed six months in duration shall require approval of the Commission.

I. Exception.

The limitations set forth in Paragraphs A, B, C, D and F above shall not apply if the Customer agrees to enter into a Line Extension Agreement with the Company under which it advances all costs incurred by the Company to install sufficient production/booster/storage facilities necessary to meet the Customer's additional requirements.

J. Standpipe Service.

Following relocation of the Standpipe in the proximity of the Company's well, standpipe water services will be unaffected by the Company's transmission line limitations. Therefore, standpipe water service will be available to all customers for unrestricted use during normal limited service periods as well as during any implementation of a Commission approved Curtailment Program.

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Dinosaur Caverns, Inc.
P.O. Box 8287
Denver, CO 80201

26002-00000.4

DECISION NO.

61867

**Customer .
Water Usage**

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	2,260	Jan-97	130	Jan-98	2,040	2,260	20,000
Feb-96	2,210	Feb-97	1,000	Feb-98	14,480	14,480	20,000
Mar-96	2,650	Mar-97	-	Mar-98	11,580	11,580	20,000
Apr-96	2,180	Apr-97	1,000	Apr-98	1,070	2,180	20,000
May-96	1,290	May-97	1,000	May-98	4,910	4,910	20,000
Jun-96	10,280	Jun-97	-	Jun-98	8,070	10,280	20,000
Jul-96	3,130	Jul-97	-	Jul-98	5,090	5,090	20,000
Aug-96	2,440	Aug-97	-	Aug-98	7,230	7,230	20,000
Sep-96	2,180	Sep-97	-	Sep-98	12,750	12,750	20,000
Oct-96	4,470	Oct-97	480	Oct-98	13,860	13,860	20,000
Nov-96	1,880	Nov-97	2,810	Nov-98	12,450	12,450	20,000
Dec-96	1,490	Dec-97	1,840	Dec-98	12,830	12,830	20,000

DECISION NO. 61867

Customer #2 Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	191,610	Jan-97	3,340	Jan-98	7,180	191,610	191,610
Feb-96	78,530	Feb-97	3,990	Feb-98	4,900	78,530	78,530
Mar-96	56,310	Mar-97	9,540	Mar-98	4,460	56,310	56,310
Apr-96	56,270	Apr-97	28,670	Apr-98	4,480	56,270	56,270
May-96	58,030	May-97	7,620	May-98	6,390	58,030	58,030
Jun-96	78,440	Jun-97	16,410	Jun-98	7,620	78,440	78,440
Jul-96	23,520	Jul-97	24,310	Jul-98	7,970	23,520	23,520
Aug-96	14,310	Aug-97	9,130	Aug-98	6,200	14,310	20,000
Sep-96	12,060	Sep-97	11,310	Sep-98	4,620	12,060	20,000
Oct-96	16,860	Oct-97	3,220	Oct-98	4,220	16,860	20,000
Nov-96	9,720	Nov-97	1,940	Nov-98	4,570	9,720	20,000
Dec-96	6,340	Dec-97	13,130	Dec-98	4,160	13,130	20,000

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Custome Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	-	Jan-97	970	Jan-98	1,440	1,440	20,000
Feb-96	50	Feb-97	-	Feb-98	260	260	20,000
Mar-96	-	Mar-97	-	Mar-98	950	950	20,000
Apr-96	-	Apr-97	1,280	Apr-98	81,110	81,110	81,110
May-96	-	May-97	5,270	May-98	4,220	5,270	20,000
Jun-96	-	Jun-97	3,790	Jun-98	4,320	4,320	20,000
Jul-96	-	Jul-97	11,160	Jul-98	870	11,160	20,000
Aug-96	-	Aug-97	2,620	Aug-98	17,510	17,510	20,000
Sep-96	-	Sep-97	2,300	Sep-98	2,110	2,300	20,000
Oct-96	-	Oct-97	3,380	Oct-98	1,430	3,380	20,000
Nov-96	-	Nov-97	2,140	Nov-98	420	2,140	20,000
Dec-96	-	Dec-97	2,140	Dec-98	480	2,140	20,000

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**Customer #4
Water Usage**

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	3,180	Jan-97	4,160	Jan-98	4,190	4,190	20,000
Feb-96	3,580	Feb-97	4,400	Feb-98	2,960	4,400	20,000
Mar-96	350	Mar-97	5,190	Mar-98	4,010	5,190	20,000
Apr-96	10,000	Apr-97	6,870	Apr-98	4,380	10,000	20,000
May-96	10,590	May-97	7,130	May-98	7,830	10,590	20,000
Jun-96	13,540	Jun-97	9,010	Jun-98	9,340	13,540	20,000
Jul-96	9,310	Jul-97	11,770	Jul-98	8,450	11,770	20,000
Aug-96	6,810	Aug-97	5,410	Aug-98	8,440	8,440	20,000
Sep-96	6,340	Sep-97	4,700	Sep-98	5,080	6,340	20,000
Oct-96	7,270	Oct-97	5,860	Oct-98	5,260	7,270	20,000
Nov-96	4,690	Nov-97	5,410	Nov-98	4,590	5,410	20,000
Dec-96	3,090	Dec-97	4,410	Dec-98	5,190	5,190	20,000

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Customer ;
Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	-	Jan-97	1,220	Jan-98	2,240	2,240	20,000
Feb-96	-	Feb-97	-	Feb-98	-	-	20,000
Mar-96	50	Mar-97	2,050	Mar-98	1,650	2,050	20,000
Apr-96	-	Apr-97	1,290	Apr-98	110	1,290	20,000
May-96	-	May-97	1,350	May-98	1,140	1,350	20,000
Jun-96	56,810	Jun-97	3,700	Jun-98	-	56,810	56,810
Jul-96	-	Jul-97	4,000	Jul-98	-	4,000	20,000
Aug-96	-	Aug-97	-	Aug-98	-	-	20,000
Sep-96	2,781	Sep-97	570	Sep-98	-	2,781	20,000
Oct-96	2,220	Oct-97	-	Oct-98	-	2,220	20,000
Nov-96	-	Nov-97	1,460	Nov-98	-	1,460	20,000
Dec-96	2,420	Dec-97	-	Dec-98	-	2,420	20,000

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Customer #6 Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	650	Jan-97	720	Jan-98	30	720	20,000
Feb-96	560	Feb-97	950	Feb-98	10	950	20,000
Mar-96	440	Mar-97	680	Mar-98	30	680	20,000
Apr-96	570	Apr-97	830	Apr-98	30	830	20,000
May-96	1,040	May-97	150	May-98	50	1,040	20,000
Jun-96	1,210	Jun-97	170	Jun-98	10	1,210	20,000
Jul-96	670	Jul-97	4,090	Jul-98	-	4,090	20,000
Aug-96	440	Aug-97	100	Aug-98	6,130	6,130	20,000
Sep-96	370	Sep-97	-	Sep-98	-	370	20,000
Oct-96	1,170	Oct-97	-	Oct-98	1,060	1,170	20,000
Nov-96	1,380	Nov-97	-	Nov-98	-	1,380	20,000
Dec-96	710	Dec-97	20	Dec-98	1,000	1,000	20,000

Diamond Engineer L.L.C

DECISION NO. 61867

Custom 7
Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	-	Jan-97	530	Jan-98	1,110	1,110	20,000
Feb-96	-	Feb-97	-	Feb-98	4,770	4,770	20,000
Mar-96	-	Mar-97	1,130	Mar-98	1,410	1,410	20,000
Apr-96	-	Apr-97	6,340	Apr-98	1,840	6,340	20,000
May-96	-	May-97	9,880	May-98	12,560	12,560	20,000
Jun-96	-	Jun-97	19,130	Jun-98	13,570	19,130	20,000
Jul-96	-	Jul-97	68,500	Jul-98	15,630	68,500	68,500
Aug-96	41,030	Aug-97	26,940	Aug-98	11,470	41,030	41,030
Sep-96	10,580	Sep-97	29,810	Sep-98	4,470	29,810	29,810
Oct-96	7,000	Oct-97	37,670	Oct-98	3,070	37,670	37,670
Nov-96	390	Nov-97	1,460	Nov-98	970	1,460	20,000
Dec-96	7,990	Dec-97	1,280	Dec-98	1,420	7,990	20,000

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Customer #8 Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	64,790	Jan-97	14,590	Jan-98	-	64,790	64,790
Feb-96	78,370	Feb-97	12,210	Feb-98	-	78,370	78,370
Mar-96	-	Mar-97	12,290	Mar-98	-	12,290	20,000
Apr-96	172,100	Apr-97	18,890	Apr-98	-	172,100	172,100
May-96	78,490	May-97	11,720	May-98	6,190	78,490	78,490
Jun-96	29,090	Jun-97	21,510	Jun-98	5,220	29,090	29,090
Jul-96	34,610	Jul-97	32,430	Jul-98	6,850	34,640	34,640
Aug-96	46,600	Aug-97	16,990	Aug-98	6,460	46,600	46,600
Sep-96	32,900	Sep-97	15,210	Sep-98	7,200	32,900	32,900
Oct-96	17,180	Oct-97	24,930	Oct-98	6,800	24,930	24,930
Nov-96	14,720	Nov-97	2,980	Nov-98	8,410	14,720	20,000
Dec-96	7,500	Dec-97	2,000	Dec-98	9,060	9,060	20,000

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Custo #9 Water Usage

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	572,630	Jan-97	2,742,840	Jan-98	2,717,670	2,742,840	2,742,840
Feb-96	1,818,030	Feb-97	2,021,810	Feb-98	2,263,700	2,263,700	2,263,700
Mar-96	2,354,830	Mar-97	2,427,710	Mar-98	2,545,760	2,545,760	2,545,760
Apr-96	1,660,910	Apr-97	2,915,470	Apr-98	2,030,600	2,915,470	2,915,470
May-96	2,639,120	May-97	1,804,740	May-98	2,288,740	2,699,120	2,699,120
Jun-96	1,289,205	Jun-97	2,957,110	Jun-98	1,325,870	2,957,110	2,957,110
Jul-96	1,383,635	Jul-97	3,105,860	Jul-98	2,139,120	3,105,860	3,105,860
Aug-96	1,633,020	Aug-97	(365,740)	Aug-98	2,445,570	2,445,570	2,445,570
Sep-96	2,681,369	Sep-97	2,186,560	Sep-98	2,578,220	2,681,369	2,681,369
Oct-96	2,868,310	Oct-97	1,944,610	Oct-98	2,278,590	2,868,310	2,868,310
Nov-96	573,120	Nov-97	438,130	Nov-98	2,444,610	2,444,610	2,444,610
Dec-96	1,639,820	Dec-97	2,414,750	Dec-98	2,907,780	2,907,780	2,907,780

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**Customer #10
Water Usage**

Date	Gallons	Date	Gallons	Date	Gallons	Maximum Recorded Use	Maximum Permitted Use
Jan-96	16,000	Jan-97	29,000	Jan-98	48,000	48,000	48,000
Feb-96	53,000	Feb-97	46,000	Feb-98	38,000	53,000	53,000
Mar-96	34,000	Mar-97	95,000	Mar-98	46,000	95,000	95,000
Apr-96	17,000	Apr-97	177,000	Apr-98	57,000	177,000	177,000
May-96	18,000	May-97	198,000	May-98	84,000	198,000	198,000
Jun-96	17,000	Jun-97	132,000	Jun-98	77,000	132,000	132,000
Jul-96	47,000	Jul-97	89,000	Jul-98	126,000	126,000	126,000
Aug-96	25,000	Aug-97	-	Aug-98	28,000	28,000	28,000
Sep-96	22,000	Sep-97	2,000	Sep-98	25,000	25,000	25,000
Oct-96	14,000	Oct-97	25,000	Oct-98	89,000	89,000	89,000
Nov-96	21,000	Nov-97	52,000	Nov-98	48,000	52,000	52,000
Dec-96	21,000	Dec-97	36,000	Dec-98	47,000	47,000	47,000

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